

stand at $\text{^}4,558,813$, while the value of the assets under the new estimate stands at $\text{^}4,908,935$, giving an apparent surplus of $\text{^}"350,122$. It will be seen that progress, though not so rapid as in the previous six months, has been made in the liquidation, the debt to the bank having been reduced in the past six months by $\text{^}625,000$. It may be well, however, to remind you how much has been effected since the guarantee was set on foot. The liabilities, which in the aggregate reached a total of $\text{^}30,313,000$, have been reduced, in a period of about two years and a quarter, to $\text{^}4,558,813$; nearly the whole of the "bills receivable," "remittances to come forward," etc., amounting to $\text{^}21,193,664$, have been got in without loss, and securities have been realized to the value of $\text{^}"4,560,523$. It will be remembered that the period of three years, for which the guarantees were originally given, will expire in November next, and, looking to the question "how far the liquidation could be carried out without material loss before that date, it was felt desirable, in the interests of the guarantors, that the time should be extended; and I am happy to be able to say, that practically the whole body of guarantors have consented to continue their guarantee for one-fourth of the original amount—which is all that is required—for one year certain from November next, and for a further period of one year if deemed expedient in the interests of the guarantors.¹

The intimate connection between the world's markets is indicated by the fact that the withdrawal of British deposits in Australia caused a stringency which foreshadowed the crisis of 1893, ^{and} ^{that} the Imperial Bank of Germany forbore for a time making drafts upon London.* The stringency which occurred in the United States, however, in the autumn of 1890 came before the Baring crisis and was less intimately related to that event than to the accumulation of surplus revenues in the Treasury. This had been so serious a danger for several years that Secretary Fairchild in 1888 deposited a large part of the surplus in national banks, while he extended the policy, which he had already inaugurated, of purchasing unmatured bonds at a premium. The purchase of bonds was continued by Secretary Windom, and was pursued on a large scale during the summer and autumn

¹ The guarantors were relieved of further liability towards the close of 1894, and the further settlements were undertaken by a private company.

⁸ Jannet, 113.